

# Houston convention arm votes in favor of W Hotel deal

By [Nancy Sarnoff](#)

Updated 6:53 pm CST, Thursday, January 16, 2020

Houston convention officials approved a plan that would deliver tens of millions of dollars in economic incentives to a development group proposing to build a W Hotel downtown.

The board of Houston First Corp. voted 10-3 Thursday afternoon in favor of the deal, which will grant some \$43 million in property, sales and beverage tax breaks for the luxury hotel, set to be developed atop the agency's 10-story building next to the George R. Brown Convention Center.

Chairman David Minberg was one of three board members who voted against the motion to approve a development agreement with Texas Hospitality Partners, which would build, finance and operate the hotel.

"At the end of the day, based on my real estate experience I didn't feel it was the best transaction that could be accomplished for Houston First and our community," Minberg said after the meeting.

Alex Brennan-Martin and Nicki Keenan also voted against the motion.

The agreement now heads to Houston City Council for approval.

Details of the potential arrangement released last year showed a package of state and local tax rebates worth an estimated \$42.6 million to be provided over 16 years.

The initial set of proposed incentives included rebates of the state's hotel occupancy and sales taxes for 10 years; a portion of the city's hotel occupancy taxes for 12 years; and city property and sales and mixed-beverage taxes for 12 years. In addition, the developer would not pay rent on the air rights lease for 16 years. The incentives would decrease if the hotel's profits exceed a specific amount.

Al Kashani of Texas Hospitality Partners said the \$130 million project would be an economic boon for the city. The 308-room hotel, he said, would be privately financed and create a minimum of 275 permanent jobs worth more than \$14 million annually, along with more than 745 construction jobs.

"I'm happy with the results," he said after the vote.

Plans to build a hotel atop the office building have been in the works since 2014, when Houston First initially sought proposals from developers. At that time, however, it said no local rebates or abatements would be offered and that it envisioned a more modest hotel brand.

Houston First continued to negotiate a development agreement even as a high-end W Hotel became the proposed brand.

Neel Lund, a vice president with W parent Marriott International, said Thursday that Houston is the only major city in the country that does not have a W. The brand is geared toward a younger generation — typically under 45 — seeking specific amenities and a modern aesthetic.

"Houston is an important market for W," he said.

Rob Hunden, president of Hunden Partners, a Chicago-based real estate consultant specializing in tourism developments, said bringing a W hotel to Houston could fill a void and elevate the city's tourism profile.

Hunden said the incentive package is not out of line with other public-private convention hotel projects and that the addition of a W would help diversify the lodging options around the convention center.

"The reality is that most large convention headquarter hotels are all very high quality and include full-service amenities, but they don't often offer a unique experience. Brands like W offer such an experience with curated, modern food and beverage options, a hip vibe in the lively bar/lounge, the latest design elements and public areas enhanced with music, specific scents, active seating areas for people to work in the lobby and other unique spaces," he said.

The proposed hotel would be built atop 701 Avenida de las Americas, a city-owned building called Partnership Tower designed to support a building addition.

As the city's convention arm, Houston First manages more than 10 city-owned buildings, including the Hilton Americas-Houston hotel, the convention center, Jones Hall for the Performing Arts and Wortham Theater Center.

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